

Maryland Health Benefit Exchange Board Meeting Minutes

July 19, 2011

1:00 p.m. - 3:00 p.m.

Maryland Health Care Commission
4160 Patterson Avenue
Baltimore, MD 21215

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: <http://dhmh.maryland.gov/healthreform/exchange/materials/july19materials.html>

Members Present

Joshua M. Sharfstein, M.D.
Therese Goldsmith, J.D., M.S.
Darrell Gaskin, Ph.D.
Ben Steffen, M.A.

Georges Benjamin, M.D.
Jennifer Goldberg, J.D., LL.M.
Enrique Martinez-Vidal, M.P.P.
Thomas Saquella, M.A.

Members Absent

None

Welcome, Updates, and Approval of Minutes

Secretary Sharfstein welcomed the Board members and participants. The Board approved minutes for meetings held on June 21st and June 27th. The meeting minutes for June 27th were clarified to note that the Board approved an amended procurement policy in which for contracts valued at greater than \$25,000, modifications can be approved (1) by the contract officer for up to 10% of the total contract value, with a cap at \$50,000; and (2) by the Executive Director for up to 20% of the total contract value, with a cap at \$100,000; *otherwise contract modifications require Board approval*. It was also clarified that the conflict of interest provision would be discussed at a future meeting.

Secretary Sharfstein noted the Establishment Level 1 Grant was submitted to the U.S. Department of Health and Human Services (HHS). He noted the grant application is located on the Board website and is expecting a determination in August. Secretary Sharstein highlighted the meeting agenda, which included a summary presentation on the Health Care Reform Coordinating Council's (HCRCC) July 11th meeting by Carolyn Quattrochi, Executive Director of the Office of Health Care Reform. He noted that HHS released two notices of proposed rules on July 15th. The comment period for these two notices ends on September 28, 2011. These proposed rules discuss the basic requirements for establishing and operating the Exchange (to include the Small Business Health Options [SHOP] Exchange), as well as temporary reinsurance and risk corridor programs. He emphasized more discussion on the proposed rules would be required at a future meeting.

Secretary Sharfstein noted that Maryland is one of 10 states to receive comprehensive technical assistance from the Robert Wood Johnson Foundation (RWJF) on health care reform

implementation. Maryland will have access to funding and resources to work on the various challenges associated with the Affordable Care Act's (ACA) coverage provisions.

Due to Dr. Dubay being unable to participate on the Exchange Board, Secretary Sharfstein noted the intent to have a new Board member appointed by August 16th.

Update on Executive Director Recruitment

Dr. Benjamin noted that interviews for the Executive Director position had begun this week. A special board meeting will be called soon to approve the final candidate. Secretary Sharfstein thanked the Board members who volunteered their time to participate in the interview process.

Update on HCRCC Meeting: Goals and Work Plan

Ms. Quattrocki presented the background of the HCRCC and its role in Maryland's health care reform implementation. She outlined the HCRCC process and its final recommendations. Ms. Quattrocki noted how the HCRCC's role relates to the Exchange Board.

Ms. Quattrocki summarized the July 11th meeting of the HCRCC, which included the creation of the Health Care Delivery and Payment Subcommittee, which is to focus on addressing cost and quality improvements in health care delivery. Efforts from this subcommittee may provide insight on purchasing strategies and contracting models with respect to qualified insurance plans offered through the Exchange. She noted the creation of a new health disparities workgroup within Maryland Health Quality and Cost Council (HQCC), overseen by Lt. Governor Brown. Ms. Quattrocki noted the proficient technical expertise her office is receiving through the RWJF and how she will work closely with the communication arm of the Exchange in the future.

Secretary Sharfstein asked about the methods to distribute materials for State outreach. Ms. Quattrocki responded that the HCRCC is coordinating with RWJF in designing templates and finding ways to disseminate health reform information accurately to citizens. She noted the important role of HCRCC in providing input on the legislative studies before the start of the 2012 session. Secretary Sharfstein noted the importance of the January 5th Exchange Board meeting, which will encompass outcomes and recommendations from the studies.

Mr. Martinez-Vidal asked about the roles of the new Health Care Delivery Reform Subcommittee under HCRCC and health disparities workgroup under HQCC. Secretary Sharfstein noted the focus of the health disparities workgroup would be on the incentives (specifically financial) that exist (or could exist) to reduce health disparities. In addition, the disparity workgroup would focus on incentives and best practices in the current system. On the distinction between the HQCC's role and the Subcommittee, Secretary Sharfstein clarified that the HQCC focuses on discrete cost and quality initiatives (such as blood waste reduction) across the system; whereas the Subcommittee would investigate broad innovation and reform. The Subcommittee would focus on exploring potential innovative models for Maryland that can change the paradigm of health care cost and performance.

Dr. Gaskin questioned how the disparity workgroup relates to the Office of Minority Health and Health Disparities with the Department of Health and Mental Hygiene (DHMH). Secretary Sharfstein noted the Office of Minority Health and Health Disparities will provide technical

assistance and data for the disparities workgroup. Mr. Steffen emphasized (1) the need to collect useable race and ethnicity data and (2) ensure such data is accessible to a wide range of policy makers. In addition, he expressed interest in knowing how the Community Health Resources Commission (CHRC) is providing technical assistance for public health and special populations. Ms Quattrocki noted CHRC had been conducting surveys of providers to understand their demands and needs. A report is scheduled to be released in December.

Ms Quattrocki concluded with points on the development of a speaker's bureau and the formation of a public/private outreach coalition. She noted this process is still ongoing.

Advisory Process Committee Report: Name Chairs of Advisory Committees

Ms. Goldberg and Mr. Saquella gave a presentation on the recommended co-chairs for each Exchange Board Advisory Committee. They thanked everyone who applied and were looking forward to everyone's participation. For the Operating Model and Insurance Rules Advisory Committee, the recommended co-chairs are Uma Ahluwalia, Montgomery County Department of Health and Human Services and Jonathan Anders, IWS, LLC. The Board liaison selected is Therese Goldsmith. For the Navigator and Enrollment Advisory Committee, the recommended co-chairs are Leigh Cobb, Advocates for Children and Youth and Toby Gordon, Johns Hopkins University, Carey Business School. The Board liaison selected is Jennifer Goldberg. For the Small Business Exchange Advisory Committee, the recommended co-chairs are John Fleig, United Healthcare and Bradley Herring, Johns Hopkins University, Bloomberg School of Public Health. The Board liaison selected is Thomas Saquella. For the Financial Sustainability Advisory Committee, the recommended co-chairs are Nathan Brown, U.S. Food and Drug Administration, and Dushanka Kleinman, University of Maryland School of Public Health. The Board liaison selected is Ben Steffen. They mentioned that all members were notified of their selection and agreed to participate in the Advisory Committee process. Mr. Saquella noted that one additional member was added to the Operating Model and Insurance Rules Advisory Committee and one additional member was added to the Navigator and Enrollment Advisory Committee.

They noted that each Board liaison will meet with the co-chairs to have a discussion to ensure understanding of the charge and will develop a workplan and meeting schedule. In closing, the Exchange Board approved the Advisory Committee co-chair recommendations.

Legislative Studies: Update on Procurements:

Mr. Milligan presented an update on the procurements for the legislative studies. He cited the request-for-proposals (RFPs) currently open for bidding: Insurance Market Rules, SHOP Exchange, and Navigator. Mr. Milligan noted Chief of Staff and Assistant Secretary Wendy Kronmiller as the procurement officer for each RFP. Her role would ensure the integrity of the process by being the sole, formal communicative channel to all applying vendors. Mr. Milligan noted the deadline for vendors to submit bids is July 25th. This timeline would allow the Exchange Board Chair to present vendor recommendations at the August 16th Exchange Board meeting. He noted Exchange Board members would receive the materials for review no later than August 11th. Mr. Milligan noted the deadline for Board members to express interest in an RFP evaluation committee is July 20th, to which he envisions fully populated committees by the end of the week (July 22nd).

Mr. Milligan went over the scoring process for each legislative study proposal. He noted the collaborative work between the vendors and Advisory Committees would culminate in neutral and informative final reports to the Board. The Board staff would utilize the integrated document to develop recommendations to the General Assembly.

Secretary Sharfstein asked about the inclusion of a conflict of interest provision, deriving from previous Exchange Board discussion. Mr. Milligan noted the language in the full RFP addresses those concerns. Specifically, the Exchange Board is to make the final determination if the vendor indeed has a conflict of interest.

Mr. Milligan discussed contract monitor responsibilities, such as setting (and tracking) the schedule of work. Individuals who are to be contract monitors are Mr. Milligan, Ms. Sammis, and Ms. Quattrochi. He noted the Exchange would assume contract monitor responsibilities when it has operating staff.

Mr. Steffen asked to the extent flexibility is embedded in the process. Mr. Milligan responded that if necessary, options could include (1) extending the time period to receive bids or (2) releasing an additional competitive or non-competitive RFP. Mr. Martinez-Vidal asked if the period of application is long enough to get viable, substantive bids. Mr. Milligan responded that the intent to select vendors for specific legislative studies had been public since the Exchange legislation passed. As a result, he emphasized interested vendors had sufficient time to investigate and prepare for a legislative study.

Next Steps

Secretary Sharfstein commended the work of the Exchange Board and staff, noting the next meeting on Tuesday, August 16th, 2011.